

AMENDED IN ASSEMBLY APRIL 26, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2264

Introduced by Assembly Member Knight
(Principal coauthor: Senator Runner)

February 24, 2012

An act to amend ~~Section~~ *Sections 1872.5 and 1873* of the Insurance Code, relating to insurance information.

LEGISLATIVE COUNSEL'S DIGEST

AB 2264, as amended, Knight. Insurance fraud: release of information: other unlawful activity.

Existing law requires an insurer, or agent authorized by that insurer to act on behalf of the insurer, upon written request, to release to a requesting officer of an authorized governmental agency, as defined, any or all relevant information deemed important to the authorized governmental agency that the insurer may possess relating to any specific insurance fraud. *Existing law provides that no insurer may be subject to civil liability by virtue of providing information pursuant to these provisions.*

This bill would also require the insurer, or agent authorized by that insurer to act on behalf of the insurer, to release to the authorized governmental agency any or all relevant information deemed important to the authorized governmental agency that the insurer may possess relating to any other unlawful activity *by the insured or claimant* uncovered in the course of an insurance fraud investigation, including, but not limited to, information about an ~~illegal~~ *unlawful* activity *by the insured or claimant* not related to insurance fraud. *The bill would provide that no insurer, or agent authorized by that insurer, would be*

subject to civil liability by virtue of providing information about an unlawful activity not related to insurance fraud that is uncovered when investigating an allegation of insurance fraud.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 **SECTION 1.** *Section 1872.5 of the Insurance Code is amended*
2 *to read:*

3 1872.5. No insurer, or the employees or agents of any insurer,
4 shall be subject to civil liability for libel, slander, *invasion of*
5 *privacy*, or any other relevant tort cause of action by virtue of
6 providing any of the following without malice:

7 (a) Any information or reports relating to suspected fraudulent
8 insurance transaction furnished to law enforcement officials, or
9 licensing officials governed by the Business and Professions Code.

10 (b) Any reports or information relating to suspected fraudulent
11 insurance transaction furnished to other persons subject to this
12 chapter.

13 (c) Any information or reports required by this article or required
14 by the commissioner under the authority granted in this chapter.

15 (d) *Any information about an unlawful activity not related to*
16 *insurance fraud that is uncovered when investigating an allegation*
17 *of insurance fraud pursuant to Section 1873.*

18 ~~**SECTION 1.**~~

19 **SEC. 2.** Section 1873 of the Insurance Code is amended to
20 read:

21 1873. (a) Upon written request to an insurer by officers
22 designated in subdivisions (a) and (b) of Section 830.1 and
23 subdivision (a) of Section 830.2, and subdivisions (a), (c), and (i)
24 of Section 830.3 of the Penal Code, an insurer, or agent authorized
25 by that insurer to act on behalf of the insurer, shall release to the
26 requesting authorized governmental agency any or all relevant
27 information deemed important to the authorized governmental
28 agency that the insurer may possess relating to any specific
29 insurance fraud or any other unlawful activity *by the insured or*
30 *claimant* uncovered in the course of an insurance fraud
31 investigation. Relevant information may include, but is not limited
32 to, all of the following:

1 (1) Insurance policy information relevant to the insurance fraud
2 under investigation, including, but not limited to, any application
3 for a policy.

4 (2) Policy premium payment records that are available.

5 (3) History of previous claims made by the insured.

6 (4) Information relating to the investigation of the insurance
7 fraud, including statements of any person, proof of loss, and notice
8 of loss.

9 (5) Complete copies of both sides of payment drafts.

10 (6) Information about an ~~illegal~~ *unlawful activity by the insured*
11 *or claimant* not related to insurance fraud that is uncovered when
12 investigating an allegation of insurance fraud.

13 (b) The provisions of subdivision (a) shall not operate to
14 authorize disclosure of medical information not otherwise
15 authorized for disclosure pursuant to law.

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18 **CORRECTIONS:**

19 **Heading—Coauthors—Line 2.**
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